



Office of the Secretary of Technology

Driving Innovation & Performance in Virginia

Briefing to the House Appropriations Committee



The Honorable Aneesh P. Chopra
Secretary of Technology

October 15th, 2007



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VITA Transformation

“Jump-Starting” Infrastructure Investments Through Private Partners

Messaging Services



- Enterprise Exchange/Outlook Email
 - Enterprise Collaboration Tools
 - Active Directory, DNS
- \$25M Investment*

Mainframe and Servers



- New IBM and Unisys Mainframes in New Data Center
 - Consolidation and Refresh of Servers
 - Migration of servers to the Data Center
- \$50M Investment*

Facilities Tier 3 and Tier 2



- New Data Center/Office Building in Chesterfield
 - New Disaster Recovery Center and Help Desk in Russell County
- \$60M Investment*

Desktop



- Mass Desktop Refresh Projects
 - Network Printer Consolidation and Refresh
 - Enterprise Desktop Management Systems
- \$35M Investment*

Help Desk



- Enterprise Help Desk in Russell and Chesterfield Counties
 - Field Based Agents and Technicians for Level 3
 - Enterprise Help Desk System (Peregrine)
- \$10M Investment*

Transformation

\$270 Million Investment

Reliable, High Performance,
Enterprise-Wide IT Infrastructure

“People – Process – Tools”

Network



- New Commonwealth-wide MPLS Core WAN
 - LAN upgrades to Local Switches/Routers as Needed
 - Network Re-addressing of IP, DHCP
- \$60M Investment*

Security



- Enterprise Security Operations Center
 - Computer Security Incident Response Center
 - Secure Internet Gateway
- \$10M Investment*

Voice / Video



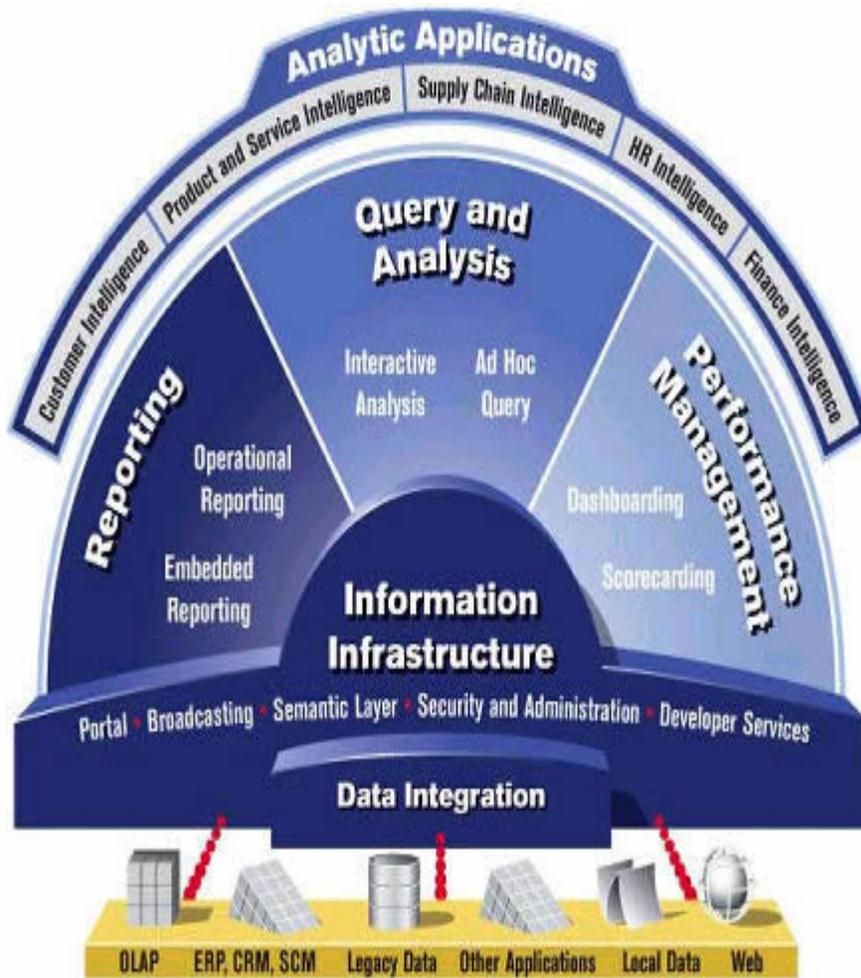
- Voice over IP Network Optimized for Voice and Video Traffic
- \$20M Investment*



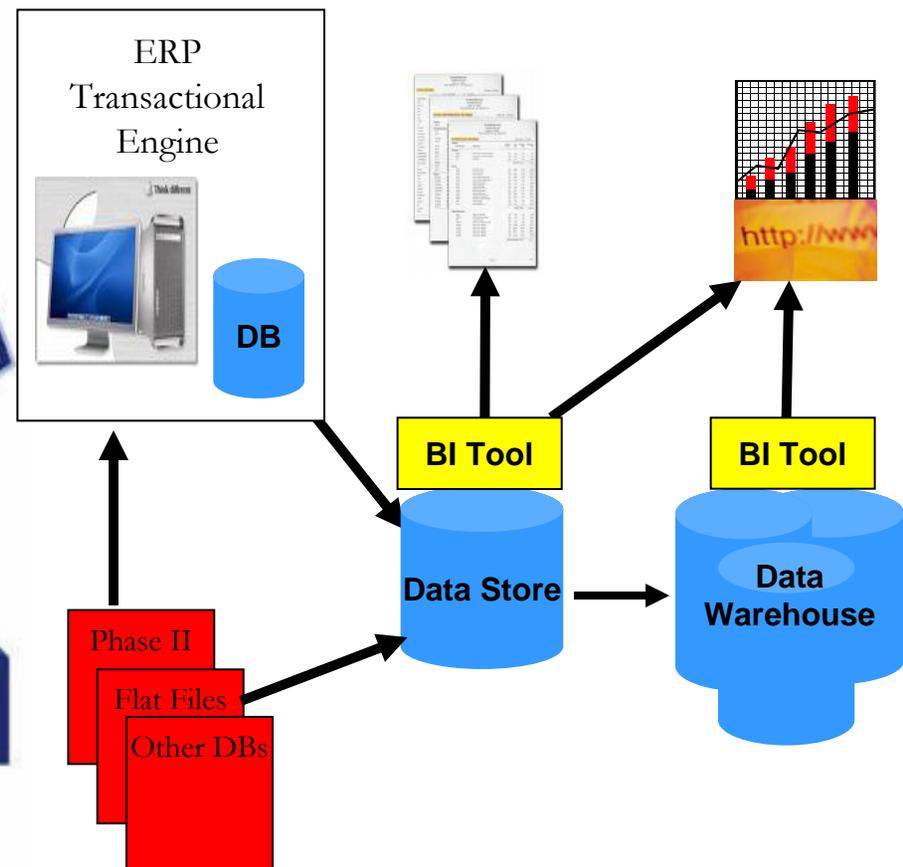
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Enterprise Applications

A Comprehensive Approach to Modernize Operations



A "Data-Centric" Approach





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Proceeding in Partnership

Three Levers to Deliver Effective, Efficient Government

I

Surface Opportunities

#Expenditure Diagnostic:
In partnership with **Planning & Budget, ESG** team will segment operations based on ability to benchmark; goal to identify savings opportunities

II

Target Productivity Investments

#Productivity Investments:
By **November**, agencies interested in seed capital for transformational initiatives are strongly encouraged to apply for remaining **\$1.7M** grants

III

Elevate Workforce Skills

#“High-Potential” Employee Training:
Recruit top **20** future leaders actively participating in a transformational initiative for **Genworth “Workout”** program

Innovation and Productivity Timeline

Summer-Present

Fall

Every Six Months



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Target Productivity Investments

Seed Capital Available to Spur Innovative Ideas from Within

Our Purpose

Elevating Agency Performance



- Seek agency input on creative ideas for driving productivity improvements



- Seek implementation guidance on what resources are required to deliver these improvements and how best to obtain these resources



- Encourage flexibility to explore alternative approaches based on insights provided by other agencies

Our Approach

Productivity Investment Fund

Mission

- Catalyze innovation within state government

Process

- Invest (modest) innovation funding
- Facilitate gainsharing program to reward high performing agencies
- Develop training program

Goals

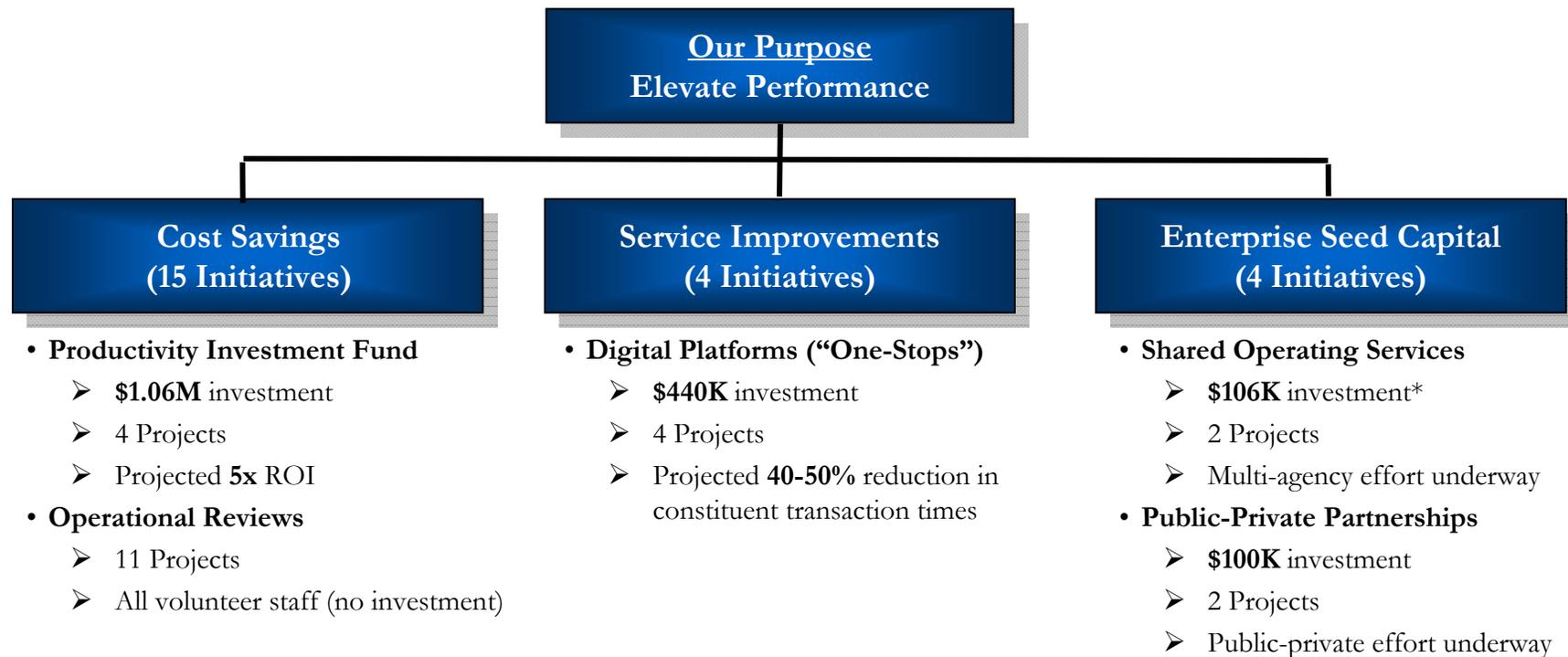
- Lower government operating costs
- Reduce constituent transaction time
- Advance Governor's key agency performance objectives
(www.vaperforms.virginia.gov)



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Putting It Altogether

A Comprehensive Summary of Effectiveness and Efficiency Agenda



Effective Public & Private Sector Governance
(Enterprise Solutions Oversight Board & Productivity Advisory Committee)

*Does not include \$11M dedicated towards VEAP Project Planning

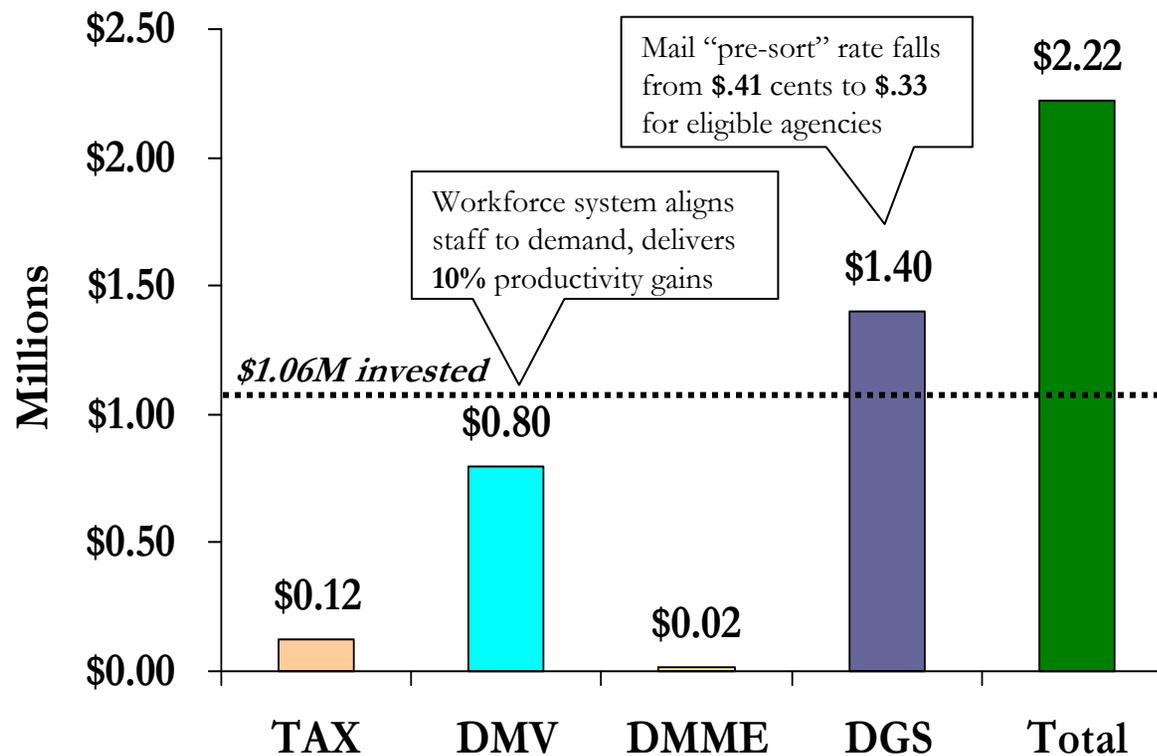


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Cost Savings ~ Productivity Investment Fund

Agency Proposals Represented Savings of 5x ROI Within Three Years

Annualized Savings Potential – Base Case



Productivity Investment Fund in Brief

Capital: Governor Kaine established \$3M fund in January to simplify government operations; encouraged all agencies to apply by March, 2007

Goals: In addition to operating cost savings, PIF encourages agencies to lower constituent transaction time and advance the Governor's key performance measures

Portfolio: In May, we invested \$1.3M of which \$1.06M funded the following savings initiatives:

- DGS: Mail Consolidation
- DMV: Workforce Mgmt System
- Dept of Tax: Image Cash Letter
- DMME: Field GIS

Using the base case, the 3-year return per dollar invested is approximately \$5



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Efficiencies ~ Operational Reviews

Early Diagnostic Effort Through Eleven Reviews Shows Room for Improvement

Initial Focus Areas

- Energy
- Fleet
- Travel
- Mail
- Print/Copy/Paper
- Return to Work
- Communications (Voice/Data)
- Water
- Solid Waste
- Receivables
- Staff Augmentation (Temp Labor)

Selection Criteria

- Fundamental to all agencies
- Good ideas can be shared and leveraged across the enterprise for greater efficiency and effectiveness
- Reviewing and coordinating at the enterprise level will facilitate greater bargaining power

Timeline

- Research teams work for 3 – 5 months to deliver a final report that defines topics in detail:
 - Overall cost drivers
 - Usage level of best practices
 - Opportunity to leverage enterprise scale in the market
 - Recommendations to improve Commonwealth performance and cost-effectiveness
- Reports will be reviewed by oversight group which will then make recommendations to the Governor



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Service Improvements

Pilot Projects Leverage Digital Platform to Improve Service

Pilot Project	Description
<i>Business One Stop</i>	New website designed to streamline myriad forms required to start a new business in Virginia and avoid data entry duplication; of 37 most common forms, 445 data fields include 324 duplicates
<i>Turbo-Vet</i>	New website designed to streamline federal veteran's benefits application; current veteran wait times of 240 days for final answer expected to fall to 100 days through more accurate submissions
<i>Mining Permit e-Forms</i>	New web-based mining permit process to dramatically lower time to complete; current 90 day time period to fall to 14 days , and allow for multi-year renewals, further lowering industry regulation costs
<i>Streamlined Medicaid Application</i>	New web-based Medicaid application for aged, blind and disabled to dramatically lower time to determine eligibility; current 90 day period to fall to 45 days , and allow volunteers to ensure application accuracy before submission

\$440K investment should lower constituent transaction time 40-50%, saving citizens time and money



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Enterprise Seed Capital

Seed Capital to Plan for Streamlined Enterprise Operations

Governor's Agenda
Enterprise Initiatives

Portfolio

Shared Operating Services

#Virginia Enterprise Applications Partnership (VEAP)— a shared service approach to lowering “back-office” operating costs; *Champion: Sec. Wagner**

#“Paperless Government” — an enterprise standard to convert paper records into an automated workflow; *Champion: Sec. Wagner*

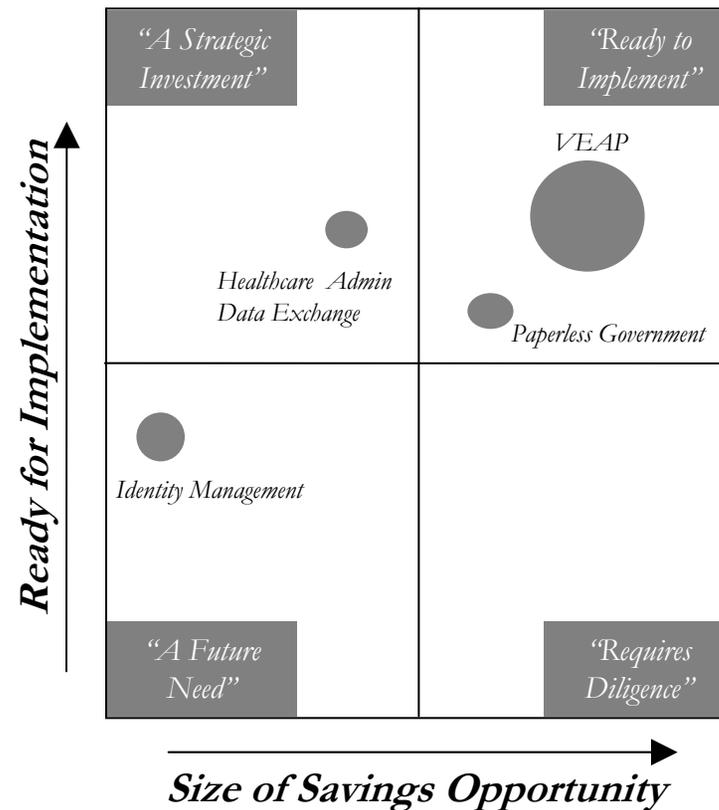
Public-Private Partnerships

#Healthcare Administrative Data Exchange— a public-private partnership to streamline healthcare administrative costs through data exchange; *Champion: Sec. Chopra*

#Identity Management— a review of existing identity management activities to assess viability of public-private Real-ID leveraged shared service; *Champion: Sec. Chopra*

\$206K investment yielded three viable projects

Mapping Enterprise Opportunities
By Size of Implementation Cost



*Separately funded and project launched

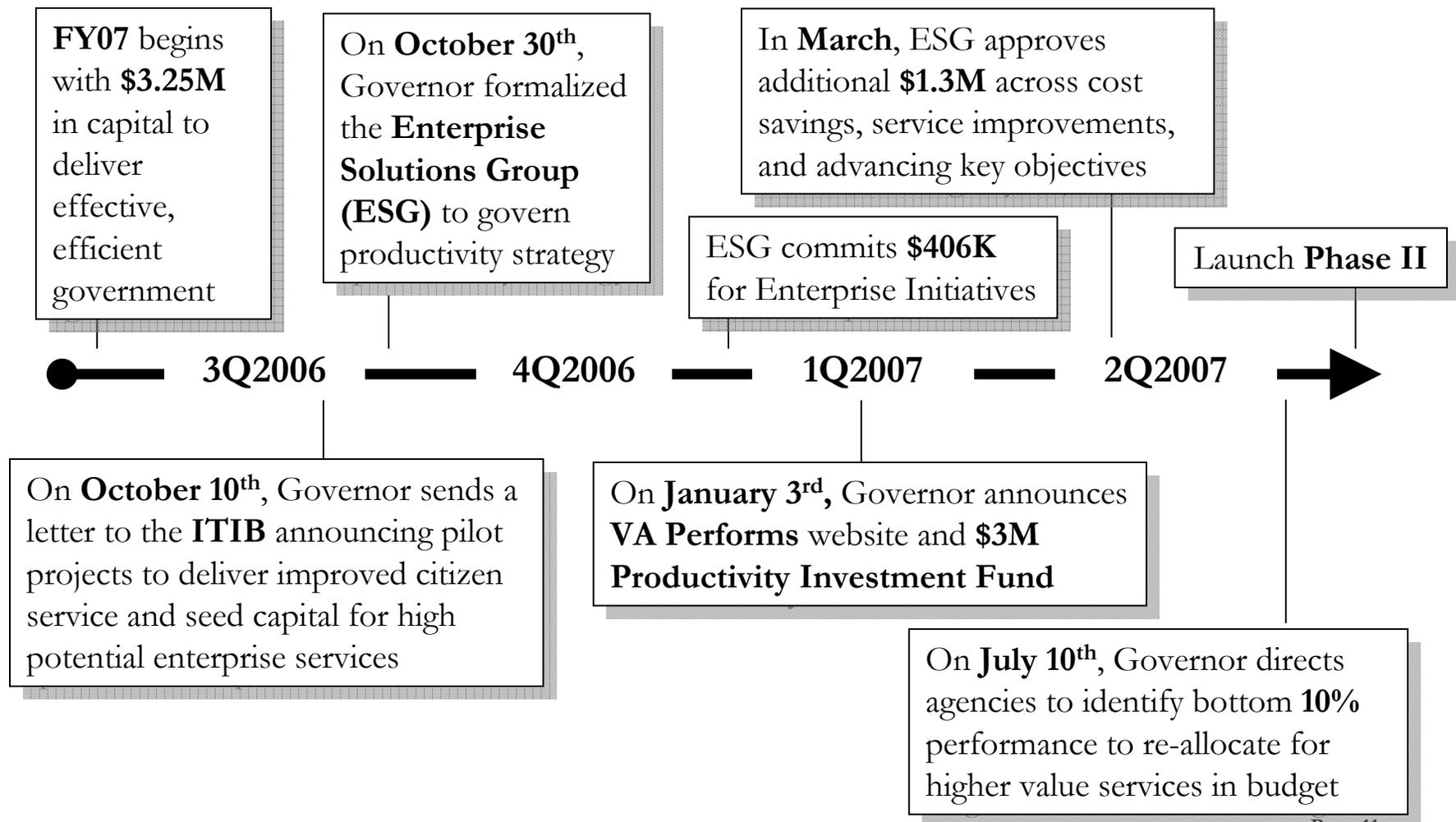
● Denotes Size of Investment Cost at Full Implementation



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History

Timeline of Events to Deliver Effective, Efficient Government





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Governance

Linking Public and Private Sector Experts to Simplify Operations

Public Sector

Governor
(Chief of Staff)

ESG Oversight Board
Secretary of Technology (Chair)
Secretary of Finance
Secretary of Administration
CIO, VITA*
Dir., Dept. of Human Resource Mgmt*
Dir., Dept. of Planning & Budgeting*

Enterprise Solutions Group

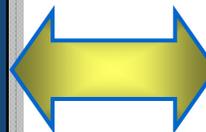
Private Sector

Enterprise Solutions Group
Productivity Advisory Committee



Role of Advisory Committee

Advise on Commonwealth's approach to effective and efficient government operations; network resources where appropriate and facilitate best practice sharing to create a long-term culture of continuous performance improvement



* Ex Officio



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Productivity Advisory Committee

Committee Members Represent Local, National Experts

Productivity Advisory Committee

Co-Chairs: *Marge Connelly*, COO, Wachovia Securities

Dr. Kent Murphy, CEO, Luna Innovations

- *Carly Fiorina*, Fmr. CEO, Hewlett-Packard
- *John Nolan*, Retr'd Dep. Postmaster Gen, USPS
- *Scott McKay*, SVP, Genworth Financial
- *Mary Doswell*, President, Dominion Resources
- *John Kamensky*, IBM Business & Govt. Ctr.
- *David Hummelberg*, Mng VP, Capital One
- *Michael D'Amato*, Fmr. Partner, Bain & Co.
- *Bo Willis*, Director, Va Dept of MME
- *Jeneane Rae*, CEO, Peer Insight
- *Dr. Abul Hossam*, Chemistry, GMU
- *Dr. Jeff Young*, Quality, UVA Health System
- *John "Dubby" Wynne*, Fmr. CEO, Landmark

Role of Committee

- Committee shall convene **three** times a year
- Provide guidance on various aspects of project portfolio (e.g., case for action, recommended approach, ROI, etc.)
- Suggest best practices and make introductions where appropriate
- Identify additional opportunities for simplifying government